

KRISTINE A. THAGARD, #94401
kthagard@marshackhays.com
TINHO MANG, #322146
tmang@marshackhays.com
MARSHACK HAYS LLP
870 Roosevelt
Irvine, CA 92620
Telephone: (949) 333-7777
Facsimile: (949) 333-7778

Attorneys for Chapter 7 Trustee,
RICHARD A. MARSHACK

UNITED STATES BANKRUPTCY COURT

CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re
NORTHERN HOLDING, LLC,

Debtor.

Case No. 8:20-bk-13014-MW

Chapter 7

NOTICE OF CHAPTER 7 TRUSTEE'S
MOTION FOR ORDER AUTHORIZING
WATER WELL DRILLING ON
PROPERTY TO ACQUIRE WATER
DATA

Date: October 25, 2021

Time: 2:00 p.m.

Ctrm: 6C

Address: 411 W. Fourth Street, Santa Ana,
CA 92701

TO THE HONORABLE MARK S. WALLACE, UNITED STATES BANKRUPTCY JUDGE, THE
OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

PLEASE TAKE NOTICE that Richard A. Marshack, in his capacity as Chapter 7 Trustee
("Trustee") of the Bankruptcy Estate ("Estate") of Northern Holding, LLC ("Debtor"), has filed a
motion for an order authorizing the Trustee to, in connection with his marketing efforts for Estate
property, allow drilling for water wells on the Live Oak Property, which work will be funded by the
buyer conducting due diligence ("Motion"). In support thereof, the Trustee respectfully represents as
follows:

Debtor is the title owner of (among other properties) real property located at 2380 Live Oak
Road, Paso Robles, CA ("Live Oak Property"). The Live Oak Property is estimated to have a fair
market value of approximately \$9 million, based on both the residential real property located thereon

1 and the over 100 acres of vineyard-suitable land surrounding the residence. The Buyer, Riboli Paso
2 Robles, LLC (an affiliate of the owners and operators of the historic San Antonio Winery) are deep
3 in the process of due diligence for the Live Oak Property and they have committed to, consistent
4 with an executed purchase and sale agreement (“PSA”), funding the full cost of drilling exploratory
5 water wells on the Live Oak Property to determine the extent of available water for farming on the
6 Live Oak Property. This process is a necessary step for the Trustee to market and sell the Live Oak
7 Property and the Trustee respectfully requests that the Court enter an order authorizing him to permit
8 the buyer and its chosen contractor(s), to drill wells in accordance with the permits attached to the
9 Motion as Exhibit “2.”

10 On September 28, 2021, Trustee and Buyer executed a purchase and sale agreement
11 (previously defined as “PSA”). A true and correct copy of the PSA is attached to Motion as Exhibit
12 “1.”

13 Paragraph 3.1 of the PSA provides, *inter alia*, that:

14 “Upon execution of this Agreement, Seller shall sign any documents necessary for
15 the issuance of the permits for the Drilling, and Buyer shall immediately cause the
16 permit application to be filed and pay the cost of the application for the Permits to
17 the appropriate agency... Subject to Bankruptcy Court approval, and a deposit into
18 the Trustee’s trust account of the amount for the Drilling, issuance of permits, and
19 all other costs and expenses associated with the Drilling, Seller will allow and assist
20 Buyer with the Drilling... the Water Inspection is an express contingency of
21 Buyer’s obligation to perform and close on the sale provided for in this Agreement.
22 Buyer shall provide Seller copies of all reports from the Drilling and Water
23 Inspection. If the Water Inspection and report(s) issued with respect to the Drilling
24 are unacceptable to Buyer for any reason in Buyer’s sole discretion, Buyer may
25 unilaterally terminate this Agreement at which time the entirety of the Deposit shall
26 immediately be returned to Buyer, less [\$100].”

21 On October 4, 2021, pursuant to request by the Buyer, the Trustee signed four permit
22 applications with Miller Drilling Company which will be submitted to the county for approval (a
23 process estimated to take 4-6 weeks based on the typical speed of the local bureaucracy). The
24 Trustee has provided strict instructions that no drilling shall occur unless the Court enters an order
25 authorizing the drilling.

26 The Trustee is also informed that secured creditor Farm Credit West, FCLA (“FCW”) will
27 only consent to allowing a well to be drilled if all information and test results from the project be
28

1 made available to FCW, the secured creditor on the Live Oak Property. Trustee intends to share all
2 such information with FCW.

3 As set forth in the Motion, the issuance of an order regarding the authorization of the well
4 drilling and other further due diligence is necessary and appropriate to allow the Trustee to proceed
5 with liquidating the Live Oak Property.

6 The complete scope and terms of the relief requested are detailed in the Motion a copy of
7 which can be obtained by contacting Kristine A. Thagard or Tinho Mang whose contact information
8 is listed in the top left-hand corner of this Notice.

9 The Motion is based upon this Notice, the Declaration of Richard A. Marshack,
10 memorandum of points and authorities, the pleadings and files in the Debtor's bankruptcy case, and
11 upon such further oral and documentary evidence as may be presented to the Court. **If you do not**
12 **oppose the motion described above, then you need take no further action.**

13 PLEASE TAKE FURTHER NOTICE that any opposition or other responsive pleadings
14 must be in the form as required by Rules 9013-1(f) and (o) of the Local Bankruptcy Rules and filed
15 with the Clerk of the above-entitled Court no later than fourteen days (14) prior to the hearing on
16 the Motion. You must also serve a copy of your objection upon Kristine A. Thagard and Tinho
17 Mang no later than fourteen (14) days prior to the date of the hearing on the Motion at the mailing
18 address indicated in the upper left corner of the first page of this Motion, and upon the Office of
19 The United States Trustee, 411 W. 4th Street, Suite 7160, Santa Ana, CA 92701. Any failure to
20 timely file and serve an opposition may result in a waiver of any such opposition and the Court may
21 enter an order granting the Motion without further notice.

22
23 DATED: October 4, 2021

MARSHACK HAYS LLP

24 /s/ Kristine A. Thagard

25 By: _____

KRISTINE A. THAGARD

26 TINHO MANG

Attorneys for Chapter 7 Trustee

27 RICHARD A. MARSHACK
28

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
870 Roosevelt, Irvine, CA 92620

A true and correct copy of the foregoing document entitled: **NOTICE OF CHAPTER 7 TRUSTEE'S MOTION FOR ORDER AUTHORIZING WATER WELL DRILLING ON PROPERTY TO ACQUIRE WATER DATA** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **October 4, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. SERVED BY UNITED STATES MAIL: On **October 4, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

DEBTOR

NORTHERN HOLDING, LLC
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY OTHER
AGENT AUTHORIZED BY APPOINTMENT
OR LAW TO RECEIVE SERVICE
13217 JAMBOREE RD #429
TUSTIN, CA 92782

INTERESTED PARTY

RIBOLI PASO ROBLES, LLC
MR. STEVEN RIBOLI
MR. ANTHONY RIBOLI
SAN ANTONIO WINERY
737 LAMAR STREET
LOS ANGELES, CA 90031

INTERESTED PARTY

VICTOR A SAHN, ESQ.
SULMEYER KUPETZ
333 SOUTH GRAND AVENUE,
34TH FLOOR
LOS ANGELES, CA 90071

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL: Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **October 4, 2021**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

VIA PERSONAL DELIVERY: PRESIDING JUDGE'S COPY

HONORABLE MARK S. WALLACE
UNITED STATES BANKRUPTCY COURT, CENTRAL DISTRICT OF CALIFORNIA
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE
411 WEST FOURTH STREET, SUITE 6135 / COURTROOM 6C
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

October 4, 2021

Date

Layla Buchanan

Printed Name

/s/ Layla Buchanan

Signature

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** CONTINUED:

- **INTERESTED PARTY COURTESY NEF:** William H Brownstein Brownsteinlaw.bill@gmail.com
- **ATTORNEY FOR U.S. TRUSTEE (SA):** Nancy S Goldenberg nancy.goldenberg@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Michael J Gomez mgomez@frandzel.com, dmoore@frandzel.com
- **ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR):** D Edward Hays ehays@marshackhays.com, ehays@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@marshackhays.com; cmendoza@ecf.courtdrive.com
- **ATTORNEY FOR RESPONDENTS ERICH RUSSELL AND JOANNE RUSSELL:** Kari L Ley Ley1238@att.net
- **ATTORNEY FOR TRUSTEE RICHARD A MARSHACK (TR):** Tinho Mang tmang@marshackhays.com, tmang@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com; cmendoza@ecf.courtdrive.com
- **TRUSTEE RICHARD A MARSHACK (TR):** Richard A Marshack (TR) pkraus@marshackhays.com, rmarshack@iq7technology.com; ecf.alert+Marshack@titlexi.com
- **ATTORNEY FOR INTERESTED PARTY BANK DIRECT CAPITAL FINANCE:** Elissa Miller emiller@sulmeyerlaw.com, emillersk@ecf.inforuptcy.com; ccaldwell@sulmeyerlaw.com
- **ATTORNEY FOR DEBTOR NORTHERN HOLDING LLC:** Roksana D. Moradi-Brovia roksana@rhmfirm.com, matt@rhmfirm.com; janita@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; priscilla@rhmfirm.com; pardis@rhmfirm.com; russ@rhmfirm.com; rebecca@rhmfirm.com; david@rhmfirm.com; sloan@rhmfirm.com
- **ATTORNEY FOR CREDITOR ADLER BELMONT GROUP, INC.:** Paul F Ready tamara@farmerandready.com
- **ATTORNEY FOR DEBTOR NORTHERN HOLDING LLC:** Matthew D. Resnik matt@rhmfirm.com, roksana@rhmfirm.com; janita@rhmfirm.com; susie@rhmfirm.com; max@rhmfirm.com; priscilla@rhmfirm.com; pardis@rhmfirm.com; russ@rhmfirm.com; rebecca@rhmfirm.com; david@rhmfirm.com; sloan@rhmfirm.com
- **UNITED STATES TRUSTEE (SA):** United States Trustee (SA) ustpreion16.sa.ecf@usdoj.gov
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Reed S Waddell rwaddell@frandzel.com, sking@frandzel.com
- **ATTORNEY FOR CREDITOR FARM CREDIT WEST, FLCA:** Gerrick Warrington gwarrington@frandzel.com, sking@frandzel.com
- **INTERESTED PARTY COURTESY NEF:** David Wood dwood@marshackhays.com, dwood@ecf.courtdrive.com; lbuchananmh@ecf.courtdrive.com; kfrederick@ecf.courtdrive.com

2. **SERVED BY UNITED STATES MAIL:** CONTINUED:

SECURED CREDITOR / POC ADDRESS

ELRICH RUSSELL
C/O KARI L. LEY, ATTORNEY AT
LAW
264 CLOVIS AVENUE, SUITE 208
CLOVIS, CA 93612

SECURED CREDITOR / POC ADDRESS

ERICH RUSSELL
2380 LIVE OAK ROAD
PASO ROBLES, CA 93446-9693

SECURED CREDITOR

FARM CREDIT WEST
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
3755 ATHERTON RD
11707 FAIR OAKS BLVD
ROCKLIN, CA 95765

SECURED CREDITOR / POC ADDRESS

FARM CREDIT WEST, FLCA
C/O MICHAEL J. GOMEZ
FRANDZEL ROBINS BLOOM &
CSATO, L.C.
1000 WILSHIRE BOULEVARD,
19TH FLOOR
LOS ANGELES, CA 90017-2457

SECURED CREDITOR / POC ADDRESS

FARM CREDIT WEST, FLCA
ATTN: KEVIN E. RALPH
3755 ATHERTON DRIVE
ROCKLIN CA 95765-3701

SECURED CREDITOR / POC ADDRESS

JAMES W. HAMILTON ACTTC
SAN LUIS OBISPO TAX COLLECTOR
1055 MONTEREY STREET
SUITE D-290
SAN LUIS OBISPO CA 93408-1003

SECURED CREDITOR

MORTGAGE LENDER SERVICES
AS AGENT
FARM CREDIT WEST, FLCA, AS
TRUSTEE
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
11707 FAIR OAKS BLVD
FAIR OAKS, CA 95628-2816

CREDITOR

ATTORNEY GENERAL
UNITED STATES DEPARTMENT OF
JUSTICE
BEN FRANKLIN STATION
P.O. BOX 683
WASHINGTON, DC 20044

CREDITOR / POC ADDRESS

ADLER BELMONT GROUP, INC.
C/O PAUL F. READY
FARMER & READY
1254 MARSH STREET
SAN LUIS OBISPO CA 93401

CREDITOR

BANK OF AMERICA
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
PO BOX 15019
WILMINGTON, DE 19850-5019

CREDITOR

CALIFORNIA DEPT OF TAX AND FEE
ADMI
SPECIAL OPS, MIC 29
PO BOX 942879
SACRAMENTO, CA 94279-0005

CREDITOR

CAPITAL ONE
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
P.O. BOX 60599
CITY OF INDUSTRY, CA 91716-0599

CREDITOR

CIVIL PROCESS CLERK
UNITED STATES ATTORNEY'S
OFFICE
FEDERAL BUILDING, ROOM 7516
300 NORTH LOS ANGELES
STREET
LOS ANGELES, CA 90012

CREDITOR

ELECTRO-STEAM GENERATOR CORP.
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY OTHER
AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO RECEIVE
SERVICE
50 INDEL AVENUE
RANOCAS, NJ 08073

CREDITOR / POC ADDRESS

FRANCHISE TAX BOARD
BANKRUPTCY SECTION MS A340
PO BOX 2952
SACRAMENTO CA 95812-2952

CREDITOR

HILCO REAL ESTATE, LLC
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
5 REVERE DRIVE, SUITE 320
NORTHBROOK, IL 60062

CREDITOR / POC ADDRESS

INTERNAL REVENUE SERVICE
P.O. BOX 7346
PHILADELPHIA, PA 19101-7346

OTHER PROFESSIONAL

LEE CODDING
13217 JAMBOREE RD #429
TUSTIN, CA 92782

CREDITOR

PG&E
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
P.O. BOX 99700
SACRAMENTO, CA 95899-7300

CREDITOR

RABBIT RIDGE WINE SALES, INC.
ATTN: OFFICER, A MANAGING OR
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APPOINTMENT OR LAW TO RECEIVE
SERVICE
179 NIBLICK RD, #406
PASO ROBLES, CA 93446-9693

RTD 08/30/21 UTF**CREDITOR**

SUNBELT RENTALS
~~ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
P.O. BOX 409211
ATLANTA, GA 30384-9211~~

NEW ADDR PER CA SOS**CREDITOR**

SUNBELT RENTALS, INC.
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
2341 DEERFIELD DRIVE
FORT MILL, SC 29715

NEW ADDR PER CA SOS**CREDITOR**

SUNBELT RENTALS, INC.
C/O C T CORPORATION SYSTEM,
AGENT FOR SERVICE OF PROCESS
330 N BRAND BLVD
GLENDALE, CA 91203

CREDITOR

THOMAS K RACKERBY
C/O TOM PROUNTZOS
GOODMAN NEUMAN HAMILTON
LLP
ONE POST STREET, SUITE 2100
SAN FRANCISCO, CA 94104

CREDITOR

WEST COAST WINE PARTNERS
ATTN: OFFICER, A MANAGING OR
GENERAL AGENT, OR TO ANY
OTHER AGENT AUTHORIZED BY
APPOINTMENT OR LAW TO
RECEIVE SERVICE
134 CHURCH STREET
SONOMA, CA 95476-6612